

## Warnings of Consumer Harm from Durbin Amendment

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"It's certainly possible that some of those costs would get passed on to consumers in some way, for example, a charge for a debit card or something like that."

– *Federal Reserve Chairman Ben Bernanke, February 17, 2011*

"If they are forced down to the 12 cent level, that is going to reduce the income that they get for debit cards, so I think they're going to have to make that up somewhere, probably by raising the fees that they have on transaction accounts. . . That would not be helpful for consumers and that might be an unintended consequence."

– *Former FDIC Chairman Sheila Bair, February 17, 2011*

"We would be concerned with a rule that would inadvertently reduce access to debit cards and other basic banking services to low — and moderate — income borrowers. It is therefore imperative to subject this proposal to careful study and analysis."

–*John Taylor, President and CEO, National Community Reinvestment Coalition, February 22, 2011*

"We believe this rule should be thoroughly and expeditiously reviewed prior to implementation, allowing a full and appropriate impact study to be performed to ensure that it will not raise fees or otherwise harm at-risk communities, including communities of color."

–*Hilary Shelton, Senior Vice President for Advocacy and Policy, NAACP, March 7, 2011*

"We believe that this amendment, while well-intentioned, could have a significant negative impact on the cost of mainstream banking services to middle and lower-income consumers, including teachers and education support professionals, because of the benefits currently made possible by debit cards."

–*Kim Anderson, Director of Government Relations, National Education Association, March 21, 2011*

"It is our hope that Congress will reconsider this rule and the implications it could have on rural America. In an economy still struggling to recover from a financial downturn, creating greater hardships for America's heartland will only hinder our country's recovery from this financial crisis."

–*Nicole Palya Wood, Legislative Director, National Grange, May 10, 2011*

"The Section 1075 (Durbin Amendment) price controls that were contained in the Dodd-Frank financial reform act are poised to dramatically alter the market for debit cards. Capping the interchange fee substantially lower than current levels will shift enormous costs onto consumers and smaller banks, potentially leading to the elimination of services."

–*Americans for Tax Reform, June 7, 2011*

"What would such failure look like? Sadly, consumers and taxpayers already have some disturbing indications. Where regulators have micromanaged the fees associated with these bank-to-bank financial transactions – such as in Australia and part of the European Union – the upshot has been fewer choices for consumers. Services like cash-back bonuses or no annual fees cannot be made available to cardholders if issuers are to remain in business while delivering the returns their shareholders demand."

–*Pete Sepp, Executive Vice President, National Taxpayers Union, June 8, 2011*

"Conceived of as a narrow special-interest giveaway to large retailers, the Durbin amendment will have long-term consequences for the consumer banking system. Wealthier consumers will be able to avoid the pinch of higher banking fees by increasing their use of credit cards. Many low-income consumers will not."

–*Todd Zywicki, professor of law at George Mason University, September 29, 2011*